



**EB-2013-0192**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c.15, Schedule B;

**AND IN THE MATTER OF** a proceeding commenced on  
the Board's own motion to consider whether proposed  
amendments to the licence of the Ontario Power  
Authority (the "OPA") (EO-2010-0220) intended to reflect  
the OPA's obligations in the regional planning process,  
are appropriate.

**BEFORE:** Marika Hare  
Presiding Member

Emad Elsayed  
Member

## **DECISION AND ORDER**

**October 21, 2013**

### **BACKGROUND**

On October 18, 2012, the Board issued its [Report of the Board – A Renewed Regulatory Framework for Electricity Distributors: A Performance Based Approach](#) (the "RRFE Report"). In the RRFE Report, the Board concluded that infrastructure planning on a regional basis is required to ensure that regional issues and requirements are effectively integrated into utility planning processes, and indicated that it would establish a process in order to move to a more structured approach to regional infrastructure planning.

The Board convened a stakeholder working group (the "Working Group") to prepare a report to the Board (the "Working Group Report") that set out the details of an appropriate regional infrastructure planning process. In addition to utilities and representatives of ratepayer groups, municipalities and generators, the OPA was a

member of the Working Group. A full list of Working Group member organizations are identified in Appendix A. The Working Group Report, which was endorsed by the Board, identified that changes to the Board's regulatory instruments and changes to the OPA's licence (EO-2010-0220) were necessary to support the regional planning process.

On June 3, 2013, the Board issued a Notice (the "June 3<sup>rd</sup> Notice") initiating this proceeding, on its own motion, which included proposed amendments to the OPA's licence (the "June Proposed Amendments"). As stated in the June 3<sup>rd</sup> Notice, the issue in this proceeding is whether the June Proposed Amendments, which are intended to reflect the OPA's obligations in the regional planning process as well as associated timelines to carry out those obligations, are appropriate.

The Board received ten requests for intervenor status. No letters of comment were received. The Board granted intervenor status to all ten parties; namely, the Association of Power Producers of Ontario ("APPrO"), Building Owners and Managers Association ("BOMA"), Canadian Manufacturers & Exporters ("CME"), Hydro One Networks Inc. ("HONI"), Ojibways of Pic River First Nation ("PRFN"), Ontario Sustainable Energy Association ("OSEA"), Ontario Power Generation ("OPG"), Ontario Energy Storage Alliance ("OESA"), Northwatch, and Northwestern Ontario Associated Chambers of Commerce ("NOACC"). NOACC indicated its intent to collaborate with Northwestern Ontario Municipal Association ("NOMA") and the Corporation of the City of Thunder Bay ("Thunder Bay").

On June 19, 2013, the Board issued Procedural Order No. 1 which identified that it would proceed with this matter by making provision for written submissions and set out the schedule for the submissions. In that Procedural Order, the Board also clarified the scope of the proceeding:

This proceeding is focused on determining the OPA's obligations in the regional planning process in a manner that is consistent with the Working Group Report, and to determine the appropriate timelines in relation to carrying out those obligations. The Board has endorsed the process set out in the Working Group Report. An opportunity was provided to comment on that Working Group Report and the Board now considers it to be final. As such, any submissions on the process

in the Working Group Report are not within the scope of this proceeding and will therefore not be considered by the Board.

This proceeding will also not address how the OPA carries out the Integrated Regional Resource Planning (“IRRP”) process. For example, the degree of stakeholder engagement that the OPA undertakes at various stages in the regional planning process and how various options (e.g., CDM, generation, etc.) will be evaluated by the OPA (e.g., through the use of estimated bill impacts) are not within the scope of this proceeding. Matters related to stakeholder engagement in the IRRP process are being addressed in a separate process – the Government’s Regional Energy Planning initiative. The OPA and the Independent Electricity System Operator (“IESO”) are holding a separate consultation process, with recommendations due to the Minister on August 1, 2013.

The Board expects that all parties will limit their submissions to matters that are within the scope of this proceeding as clarified above.

The Board received seven intervenor submissions as well as submissions from Board staff and the OPA. All of the submissions form part of the public record. The Board has considered these submissions in reaching its Decision (“the Decision”) on the final amendments to the OPA’s licence (the “Final Amendments”).

The full record of the proceeding is available at the Board’s offices and on the Board’s website. The Board has referred to the record in this proceeding only to the extent necessary to provide context to its findings.

## **LICENCE AMENDMENTS**

The Board notes that a number of submissions addressed matters that are not within the scope of this proceeding. The Board will address those matters together at the outset rather than address them individually throughout the Decision.

This Decision will then address those matters that are within scope of this proceeding.

## I. General Matters and Matters Outside Scope of Proceeding

Based on the scope that was identified in Procedural Order No. 1, the Board has concluded that a number of submissions were not within the scope of this proceeding or were general in nature (i.e., not related to a specific section in the June Proposed Amendments). The following are some instances of where that was the case:

- A number of parties submitted that stakeholder engagement, including municipalities, Aboriginal communities, and other stakeholders, should be a clear requirement in the OPA's licence.
- BOMA submitted that IRRPs should be mandatory in every region; and
- Northwatch submitted: (1) a Needs Assessment and an IRRP should be developed every three years for an eight year period (not every five years); (2) the Scoping assessment should be completed for each region (i.e., not only where the lead transmitter requests that the OPA do so); and (3) the Board should include in the OPA's licence a list of criteria against which the OPA must conduct its Scoping Assessment.

The Board finds that, with the exception of the first item listed above, all of the items involve revisiting the regional planning process that is set out in the Working Group Report, which is final and has been endorsed by the Board.

With respect to the issue of including a requirement related to consultation in the licence amendments, the Board notes that the RRFE Report identified that broader stakeholder consultation was a key element that the Working Group must address in establishing a more structured regional planning process. As such, the Working Group Report sets out that broad stakeholder consultation is to be undertaken both during the Scoping process and the IRRP process. As the Board has stated, it expects the OPA, transmitters and distributors to follow that process. In addition, as referenced in a number of submissions, the Minister of Energy issued a letter to the OPA and IESO on May 6, 2013 (the "May 6<sup>th</sup> letter") requesting recommendations with a focus on how stakeholder consultation could be enhanced in the regional planning process, particularly in relation to the siting of generation. Given the Board's and the Minister's expectations in relation to stakeholder consultation in the regional planning process, the Board finds that a licence amendment is not necessary in this regard.

## II. Integrated Regional Resource Plan (“IRRP”) Definition

In the June Proposed Amendments, the Board proposed the following definition of an IRRP:

“Integrated Regional Resource Plan” means a document prepared by the Licensee that identifies the appropriate mix of investments in one or more of conservation, generation, transmission facilities or distribution facilities in order to address the electricity needs of a region in the near-, mid-, and long-term.

### Submissions of the Parties

OESA submitted that the definition should specifically refer to investments in “energy storage”, as well as conservation, generation, transmission and distribution facilities.

Northwatch emphasized throughout its submission that “conservation and demand management” needed to be considered as an option, as opposed to only “conservation”. Northwatch also submitted that other specific investments should be considered, such as “energy efficiency”.

In its submission, Board staff noted that the IRRP definition refers to “near-, mid-, and long-term”, however, those terms are not defined. Staff pointed out that in its initial submission, the OPA noted that near-term is up to 5 years, mid-term is 5 to 10 years and long-term is 10 to 20 years. Staff therefore suggested that including those timelines in the definition would add clarity. Similar to Northwatch, Board staff also expressed the view that “conservation” was too limiting and suggested that it be broadened to also include “demand management”.

In its reply submission, the OPA agreed with replacing “conservation” with “conservation and demand management” as proposed by Northwatch and Board staff. The OPA also agreed with Board staff that it would be beneficial to specifically identify the timelines in the definition associated with “near-, mid-, and long-term”. The OPA further agreed, in principle, with Northwatch and OESA that the definition should take into account that other types of investments, beyond those identified in the proposed definition, have the potential to address a regional

need. However, the OPA expressed the view that more generic terminology would be more appropriate and suggested adding “or other electricity system initiatives”.

### **Board Findings**

The Board finds that “near-, mid-, and long-term” should be clarified to reference the number of years for each of those terms and that “conservation” should be broadened to also include “demand management”.

The Board also finds that the proposed IRRP definition should be amended to reflect that other investments (e.g., energy storage, energy efficiency, etc.) also have the potential to address an electricity need. The Board finds that the generic terminology suggested by the OPA is more appropriate since other investments, beyond those specifically identified by the parties in this proceeding, might exist and creating an exhaustive list of every type of potential investment is not practical.

The Board therefore finds that the proposed IRRP definition will be revised as follows:

“Integrated Regional Resource Plan” means a document prepared by the Licensee that identifies the appropriate mix of investments in one or more of **conservation and demand management-conservation**, generation, transmission facilities or distribution facilities, **or other electricity system initiatives** in order to address the electricity needs of a region in the near- **(up to 5 years)**, mid- **(5 to 10 years)**, and long-term **(10 to 20 years)**;

The Board notes that certain changes to the IRRP definition, as set out above, result in consequential changes to section X.2.2(g). That section will therefore be revised to require the OPA to provide the transmitter with an Annual Report that identifies the status of any investments in “conservation and demand management” and “other electricity system initiatives” (as well as “generation”). For clarity, “other electricity system initiatives” exclude investments in transmission and distribution facilities.

### **III. Sections X.2.2(b) and X.2.2(c)**

Section X.2.2(b) of the June Proposed Amendments set out that the OPA was to complete an Integrated Regional Resource Plan (“IRRP”) within one year of

determining that an IRRP process is necessary for a region. It was also proposed that the OPA would: (i) inform the lead transmitter of any investment in transmission and/or distribution facilities that are required to meet the electricity needs of the region; (ii) provide the IRRP to all licensed distributors and licensed transmitters in the region; and (iii) post the IRRP on its website upon completion.

Section X.2.2(c) of the June Proposed Amendments identified that, where the OPA had not completed an IRRP within one year, in accordance with section X.2.2(b), the OPA was to notify the lead transmitter of any investment in transmission and/or distribution facilities that were necessary to meet the electricity needs of the region over the next five years (i.e., near-term).

The two sections discussed above are interrelated. As such, the Board will address them together. The Board will also first address the refinements to the wording that parties suggested in the submissions. The Board will then focus on the more substantive issues that were raised in the submissions.

## **Submissions of the Parties**

### **(i) Refinements**

In its initial submission, the OPA suggested a few changes. The first was not explained in the OPA's submission. Instead, it was only reflected in the revised wording proposed by the OPA and related to informing the participating distributors in the region, as well as the lead transmitter, of any investment in transmission and/or distribution facilities that are required to meet the electricity needs of the region. The proposed change therefore involved adding "participating distributors" to sections X.2.2(b) and X.2.2(c). The OPA also proposed to change "Complete" an IRRP to "Prepare" an IRRP and to remove "upon completion" in terms of when the IRRP is posted. These changes were also not explained in the OPA's submission.

The OPA also submitted that, along with area transmitters and distributors, the IRRP should also be provided to area municipalities. Specifically, the OPA proposed adding "municipalities" to section X.2.2(b). The rationale provided by the OPA for this change was that the Minister's May 6<sup>th</sup> letter requested concrete proposals that "feature transparent mechanisms for seeking input from

municipalities, Aboriginal communities, and other stakeholders” in the development of regional plans.

CME submitted that to be compatible with the expectations expressed by the Minister’s May 6<sup>th</sup> letter, the June Proposed Amendments should be modified to reflect the OPA’s obligations to consult with and obtain input from a constituency broader than transmitters and distributors, including municipalities, Aboriginal communities and other stakeholders.

Northwatch agreed with the OPA’s proposed change to require IRRPs to be provided to municipalities in each region.

Board staff agreed with the OPA that it would be appropriate for the distributors to be informed of any necessary investments in the region that were identified by the OPA given that distribution (as well as transmission) investments may be identified. Staff further noted that the OPA’s proposal to provide the IRRP to municipalities would be beneficial in relation to better integrating electricity infrastructure considerations into municipal planning processes. Staff noted that electricity infrastructure is the only type of infrastructure that is not taken into consideration in municipal planning documents.

Board staff also submitted that sections X.2.2(b) and X.2.2(c) should be revised to require the OPA to: “*inform the lead transmitter of any **potential** investment in transmission and/or distribution facilities.*” Staff’s rationale was that, based on the Working Group Report, the OPA will not be making a final determination in the IRRP regarding which transmission and/or distribution facilities will be required. Instead, the intent is for the OPA to recommend potential wires investments at a higher level to the lead transmitter and distributors which will then be assessed, in more detail, as part of a Regional Infrastructure Planning process. In its reply submission, the OPA agreed with that suggested change.

### **Board Findings**

The Board finds that it is appropriate for the OPA to also inform distributors involved in the regional planning process of any investment in transmission and/or distribution facilities that are required, as those distributors will need to work in consultation with the lead transmitter in developing the Regional Infrastructure Plan.

The Board also finds that the IRRP should be provided to the municipalities, as well the utilities, in a region. This is consistent with the Board's vision of a stronger linkage between the electricity infrastructure planning and municipal infrastructure planning processes in Ontario.

The Board also finds that Board staff's suggested change to sections X.2.2(b) and X.2.2(c) should be made as it will increase consistency with the Working Group Report.<sup>1</sup>

The Board finds that the OPA's suggested revision related to changing "Complete" to "Prepare" in relation to an IRRP will not be made. "Prepare" is ambiguous. For example, an IRRP could be prepared but not necessarily completed. In contrast, "Complete" is clear and provides greater certainty to participants and stakeholders in the regional planning process, including municipalities. The Board also finds that the OPA's suggestion to remove "upon completion" in terms of when the IRRP is to be posted is not appropriate. It is not clear to the Board when the OPA plans to post the IRRP if not "upon completion". In the interests of providing certainty to those involved in the regional planning process, the Board will therefore not remove "upon completion". The Board notes that no rationale was provided by the OPA in relation to either of these two proposed changes.

The Board will also require a revision to section X.2.2(b) to clarify that the IRRP is to reflect a period of up to 20 years. This change aligns with section X.2.2(c) which identifies a timeframe of up to five years, where a comprehensive IRRP has not been completed. It is also consistent with the revisions made to the definition of IRRP.

## **(ii) Substantive Issues**

Instead of one IRRP, as identified in section X.2.2(b) of the June Proposed Amendments, the OPA proposed that there be two types of IRRPs – Interim IRRP and IRRP. The OPA noted that the Interim IRRP would be produced within one year, with a primary focus on urgent projects to address near-term needs, and that

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<sup>1</sup> The Working Group Report states: "The IRRP process will assess alternatives to infrastructure at a higher, or more macro, level ... Once the IRRP process identifies ... wires options ... the Regional Infrastructure Plan process will conduct ... more detailed planning to identify ... the preferred wires solution."

the final IRRP would focus primarily on projects to meet mid-term and long-term needs.

The OPA submitted that having an Interim IRRP, as well as a final IRRP, was consistent with the process set out in the Working Group Report. The OPA specifically referred to the diagram on page 13 of the Working Group Report and noted there are three different pathways to trigger a Regional Infrastructure Plan. First, when a Scoping Process determines that the needs of a region would be best met through a “wires only” plan, the Regional Infrastructure Plan is developed immediately. Second, where an IRRP process is more appropriate, the Regional Infrastructure Plan is triggered when near-term wires solutions are determined to be required and are advanced from the IRRP process (i.e. an Interim IRRP). Third, when wires solutions are identified in a long-term Reference IRRP.

The OPA also raised concerns related to completing the IRRP within one year as set out in the June Proposed Amendments. The OPA submitted that it did not believe it could meet that timeframe, which would result in compliance issues. The OPA proposed doubling the timeframe to complete a final IRRP from one to two years. The OPA submitted that, based on the feedback during OPA and IESO engagement sessions (in response to Minister’s May 6<sup>th</sup> letter), the OPA envisions an iterative engagement strategy throughout the development of IRRPs and expects to include engagement beyond that originally envisioned by the Working Group. The OPA further submitted that the timeline for the IRRP process may vary based on the complexity of the IRRP and the unique needs of the region.

OESA submitted that, in general, it supports the OPA's proposed delineation of the regional planning process into iterative five year and 20 year plans.

CME submitted that having regard to the broader constituency with which the OPA is obliged to consult, the OPA's proposal to produce two forms of IRRP plans and to have separate deadlines of one and two years, respectively, appears to be reasonable.

Northwatch submitted that the OPA’s proposed timing of one year to complete an “Interim IRRP” and two years to complete an “IRRP” may be too long for a regional plan to be developed within a meaningful timeframe.

Board staff submitted that the sole rationale provided by the OPA for extending the timeline from one to two years was that additional consultation may be required based on how the Minister decides after receiving IESO / OPA recommendations. While acknowledging that it may result in a longer process, Board staff questioned why consultation requirements would double the timelines as the Working Group already built consultation into the IRRP process and that was preceded by further consultation during the scoping process. Board staff therefore submitted that stakeholder engagement was not a new concept in the process developed by the Working Group and the Working Group had expected that municipalities and Aboriginal communities would be part of those consultation processes. Board staff noted that the Association of Municipalities of Ontario (“AMO”) was a member of the Working Group that established the process.

Board staff also submitted that a “one step” IRRP was needed to determine the “optimal” solution(s) to meet a regional need. For example, when the transmitter leading a Regional Infrastructure Planning process receives an IRRP from the OPA, it is important that the IRRP identify all potential “wires” solutions at the same time – near-, mid- and long-term – to determine the “optimal” wires solution, as desired by the Board. Board staff submitted that the OPA’s approach would appear to ensure that would never be the outcome. Instead, the OPA would always provide an Interim IRRP to the lead transmitter which only identified near-term wires solutions in one year and then a final IRRP which identified mid- and longer-term solutions one year later. Staff also noted that, under the Code amendments, the transmitter is required to complete a Regional Infrastructure Plan within six months after it receives an IRRP. As such, under the OPA’s proposed changes, the transmitter would need to undertake a Regional Infrastructure Plan after receiving an Interim IRRP and then the transmitter would receive a final IRRP six months after the Regional Infrastructure Plan was completed. Board staff therefore expressed concern that the OPA proposed approach would have the potential to result in “sub-optimal” wires solutions and may therefore result in Regional Infrastructure Plans that cannot be used to support applications, as intended by the Board.

Board staff further identified that the initial intent was for the OPA’s Integrated Power System Plan (“IPSP”) to be updated every three years, which covered the entire province. If the OPA’s suggested change is accepted, according to Board staff, the full regional planning process, which includes the IRRP, would take at least three years. Staff questioned why a regional planning process, which

achieves the same outcome, but for only one region, should take longer to complete than a provincial IPSP process.

Board staff further submitted that adequate flexibility was provided in the June Proposed Amendments, as the intent was for the OPA to target one year to complete a final IRRP, in the normal course, and would be permitted to take more time if it was required. Staff therefore proposed that the OPA should continue to be required to target completion of a final IRRP within one year, but flexibility be maintained to allow the OPA to take more time, where necessary. Staff also suggested that, given the two year timeframe identified by OPA in its submission, the Board may wish to consider requiring the OPA to report to the Board when more than one year is required, with an explanation as to why more time was needed and to also add a two year limitation where more than one year was needed. Staff noted that, relative to the OPA's proposed changes, this suggested approach would provide the same flexibility and for a period of up to two years, as the OPA requested, with the primary difference between proposals being:

- One year target timeline and up to two years, where more time is required (Board staff).
- A blanket two year target timeline, whether two years is required or not (OPA).

### **Board Findings**

The Board finds that the June Proposed Amendments will continue to reflect that there is one type of IRRP, but the timeframe to complete the IRRP will be extended from one year to one and a half years (i.e., 18 months) with the flexibility for the OPA to take up to two years, where the OPA requires more time. In cases where the 18 month timeline is exceeded, the OPA will be required to notify the Board as explained in more detail below.

In extending the timeline to complete an IRRP from one year to 18 months (the "target timeline"), the Board has recognized the potential implications that the Minister's desire for enhanced stakeholder engagement in the integrated regional planning process may have on the timing related to completing an IRRP process.

The Board has also taken the OPA's request for greater flexibility into consideration by allowing for a period of up to two years, if required, to complete an IRRP which is consistent with the timing requested by the OPA.

The Board has also taken into account the OPA's compliance related concerns as set out in their reply submission. Within that context, where the target timeline is not achieved, the OPA will not be out-of-compliance with its licence, unless the two-year timeline requested by the OPA is ultimately exceeded. The OPA will, however, be required to notify the Board in writing explaining: (1) why the target timeline could not be met; (2) the region involved; and (3) how much time was required (up to an additional six months). This information will enable the Board to monitor the situation as experience with the new regional planning process is gained. The Board notes that the final amendments to the Transmission System Code and the Distribution System Code set out the same reporting requirements in relation to transmitters and distributors, where additional time is required to address more complex information requests.

A target timeline with flexibility to take up to two years, where required, also takes into consideration the OPA's acknowledgement in its reply submission that the timelines to carry out the IRRP process will "vary based on, among other things, the complexity and unique needs of the area." Given that the OPA requested up to two years in its submission, the Board has taken this timeframe to reflect the time required to complete the most complex IRRP.

The Board has also considered the need to remain consistent with the regional planning process set out in the Working Group Report, as that process is intended to form the basis for these licence amendments. In its reply submission, the OPA claimed that its proposal related to two IRRP products – Interim IRRP and IRRP – as well as consultation on the Interim IRRP was consistent with the process in the Working Group Report. Based on the Board's review of the Working Group Report, the Board does not agree with the OPA in this regard. It is clear in the Working Group Report that only one type of IRRP is contemplated. That is, an IRRP that addresses short-, mid- and long-term needs. Where an urgent near-term need is identified by the OPA in the IRRP process and the OPA also identifies that the need can only be addressed by a wires solution, the OPA correctly notes in its submission that the Working Group's intent is for it to be "*advanced outside*" the

IRR process. In this regard, Appendix 2 of the Working Group Report identifies the following OPA deliverables:

**“Deliverables**

- **Recommendation/Urgent letter(s)** to the appropriate transmitter for the implementation of near-term wire options through the RIP process
  - o Includes a discussion of the scope, timing and expected project cost
- **IRR report** identifying the action plan for the region and any recommended wire options for development through the RIP process” *[emphasis added]*

Consistent with the above, there is no reference to an “Interim” IRRP in the Working Group Report. It is also clear, in the Working Group Report, that a document identifying only near-term wires solutions is not intended to be part of the normal course as suggested by the OPA. It is intended to occur only where an unforeseen “urgent” need is identified by the OPA that cannot await the completion of an IRRP. The Board expects that this will be a relatively rare occurrence under the more structured planning process that has been developed.

The Board shares the concern that the OPA’s proposed “two step” IRRP process would not result in “optimal” wires solution(s) to meet a regional need since the process would be formalized and structured in a manner where the lead transmitter would always receive two different IRRPs for the purpose of carrying out the Regional Infrastructure Plan, with one focused only on the “short-term” and the other focusing primarily on the “mid- and longer-term” solutions one year later. In the Board’s view, for the purpose of determining the “optimal” wires solutions in the Regional Infrastructure Plan, it is necessary for the transmitter to receive all potential wires solutions at the same time (near-, mid- and long-term). The Board acknowledges that the Working Group Report contemplates the potential need to deviate from a one step process, however, as noted above, that should occur only in rare circumstances where there is truly an “urgent” near-term need – not the norm.

The Board also shares the concern expressed by Northwatch in terms of each IRRP taking two years to complete. As Board staff noted, this would result in the full regional planning process, as set out in the Working Group Report, taking over three years to complete for each region where an IRRP is required.

Given that this OPA proposal would alter the process in the Working Group Report, it is technically out of scope. However, because this matter was a major issue in this proceeding, the Board felt it was important to identify how that OPA proposed change was inconsistent with the Working Group Report and the Board's objectives in the RRFE Report. As the OPA noted in its reply submission, any submission that suggests altering the Working Group Report process should be considered out of scope.

The approach set out above strikes a reasonable balance between ensuring the OPA has the appropriate amount of time to complete an IRRP and ensuring IRRPs (and therefore Regional Infrastructure Plans) are completed in a timely and efficient manner so that such Plans can be provided to support utility applications as set out in the Board's RRFE Report.

#### **IV. Other Matters**

##### **Submissions of the Parties**

In its submission, HONI noted a concern in relation to a timing discrepancy between section X.2.2(e) of the June Proposed Amendments and section 3C.2.2(g) of the proposed Code amendments. HONI identified that the OPA's proposed obligation is to provide the lead transmitter with information within 30 days under section X.2.2(e) and this may not leave sufficient time for the transmitter to meet the proposed requirement in section 3C.2.2(g) to confirm the status of regional planning to a distributor which is also to occur within 30 days. HONI therefore proposed that a minimum of 15 days be added between the time the OPA provides information to the lead transmitter and when the lead transmitter confirms the status of regional planning.

In its reply submission, the OPA supported HONI's proposal.

##### **Board Findings**

The Board agrees that the timing discrepancy identified by HONI needs to be addressed. The Board notes, however, that this issue has already been addressed through revisions incorporated in the final Code amendments related to regional infrastructure planning. As such, no changes to the OPA licence are required in this regard.

## **COST AWARDS**

The Board may grant cost awards to eligible stakeholders pursuant to its power under section 30 of the *Ontario Energy Board Act, 1998*. In Procedural Order No. 1, the Board determined that APPrO, BOMA, CME, Northwatch, NOACC, OSEA, OESA, and PFRN are eligible for an award of costs. When determining the amounts of the cost awards, the Board will apply the principles set out in section 5 of the Board's *Practice Direction on Cost Awards*. In evaluating the cost claims filed, the Board will take into consideration whether a party addressed issues that are not within the scope of this proceeding, as identified in Procedural Order No. 1. The maximum hourly rate for counsel and consultants set out in the Board's Cost Awards Tariff will also be applied.

### **THEREFORE THE BOARD ORDERS THAT:**

1. The OPA's licence is amended to reflect the Board's Decision herein in relation to the changes to the June Proposed Amendments. The Final Amendments to the OPA's licence, as adopted by the Board, are set out in Appendix B to this Decision. Appendix C sets out, for information purposes only, a comparison version showing the revisions made to the June Proposed Amendments as reflected in the Final Licence Amendments.
2. Cost claims shall conform with the Board's *Practice Direction on Cost Awards*, and shall be filed with the Board and one copy served on the OPA by October 28, 2013. The OPA may file with the Board any objection to the cost claim and one copy must be served on the claimant by November 7, 2013. The Claimant will have until November 14, 2013 to respond to any objections. A copy of any submissions must be filed with the Board and one copy is to be served on the OPA.

All filings with the Board must quote file number **EB-2013-0192** and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format made through the Board's web portal at [www.errr.ontarioenergyboard.ca](http://www.errr.ontarioenergyboard.ca). Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties should use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.ontarioenergyboard.ca](http://www.ontarioenergyboard.ca). If the web portal is not available you may email your

document to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All filings should be directed to the attention of the Board Secretary, and be received by the Board **no later than 4:45 p.m.** on the required date. Parties must also include the Case Manager, Chris Cincar at [chris.cincar@ontarioenergyboard.ca](mailto:chris.cincar@ontarioenergyboard.ca) and Board Counsel, Kristi Sebalj at [kristi.sebalj@ontarioenergyboard.ca](mailto:kristi.sebalj@ontarioenergyboard.ca) in all electronic correspondence related to this case.

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Attention: Board Secretary

Filings: [www.pes.ontarioenergyboard.ca/eservice](http://www.pes.ontarioenergyboard.ca/eservice)  
E-mail: [boardsec@ontarioenergyboard.ca](mailto:boardsec@ontarioenergyboard.ca)  
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**DATED** at Toronto on October 21, 2013

## **ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

### Attachments:

Appendix A:	Working Group Participants
Appendix B:	Final Amendments to the Licence of the OPA
Appendix C:	Comparison Version of Final Amendments to the Licence of the OPA (for information purposes only)

## **APPENDIX A**

### **Working Group Participants**

- Association of Major Power Consumers of Ontario (“AMPCO”)
- Association of Municipalities of Ontario (“AMO”)
- Association of Power Producers of Ontario (“APPPrO”)
- Consumers Council of Canada (“CCC”)
- Great Lakes Power Transmission Inc. (“GLPT”)
- Guelph Hydro Electric Systems Inc.
- Hydro One Networks Inc. (Distribution)
- Hydro One Networks Inc. (Transmission)
- Innisfil Hydro Distribution Systems Ltd.
- Milton Hydro Distribution Inc.
- Ontario Power Authority (“OPA”)
- PowerStream Inc.
- Thunder Bay Hydro Electricity Distribution Inc.

## **APPENDIX B**

**October 21, 2013**

**EB-2013-0192**

### **Final Amendments to the Licence of the OPA**

#### **REVISED AMENDMENTS TO LICENCE OF THE ONTARIO POWER AUTHORITY**

##### **X. Regional Planning**

X.1 For the purposes of this section X:

“Integrated Regional Resource Plan” means a document prepared by the Licensee that identifies the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities, or other electricity system initiatives in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (10 to 20 years);

“integrated regional resource planning process” means a planning process led by the Licensee for the purpose of preparing an Integrated Regional Resource Plan for a region;

“lead transmitter” means a licensed transmitter that is leading a regional planning process in a region;

“region” means an area within which the lead transmitter’s transmission system is located, in whole or in part, and that has been designated as such by the lead transmitter, in consultation with the Licensee, under section 3C.2.2(a) of the Transmission System Code, for regional planning purposes;

“Regional Infrastructure Plan” means a document prepared by the lead transmitter that identifies investments in transmission and/or distribution facilities

that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region;

“regional infrastructure planning process” means a planning process led by the lead transmitter in accordance with section 3C of the Transmission System Code for the purpose of preparing a Regional Infrastructure Plan for a region; and

“regional planning” means a planning process involving licensed transmitter(s), licensed distributor(s), and the Licensee for the purpose of determining whether a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan is required for a region and, where required, developing or updating a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan.

## **X.2 Regional Planning Obligations**

X.2.1 The Licensee shall, in consultation with licensed transmitters and licensed distributors in a region, carry out its regional planning obligations.

X.2.2 For the purposes of section X.2.1, the Licensee shall:

- (a) Complete a scoping assessment to determine the appropriate regional planning approach, for a region, within 90 days of being notified by the lead transmitter that regional planning is necessary; specifically, whether an integrated regional resource planning process is required first or a regional infrastructure planning process should proceed immediately. The Licensee shall provide the scoping assessment outcome report to all licensed distributors and licensed transmitters in the region and post it on its website upon completion;
- (b) Complete an Integrated Regional Resource Plan, within 18 months of determining that an integrated regional resource planning process is necessary for a region, and inform the lead transmitter and participating distributors of any potential investment in transmission and/or distribution facilities that are required to meet the electricity needs of the region over the next twenty years. The Licensee shall provide the Integrated Regional Resource Plan to all licensed distributors, licensed transmitters and municipalities in the region and post it on its website upon completion. Where an Integrated Regional Resource Plan has not been completed within 18 months, the Licensee shall take no longer than two years to complete the

Integrated Regional Resource Plan and shall notify the Board in writing explaining the reason(s) an Integrated Regional Resource Plan could not be completed within 18 months, identify the applicable region and the additional time required, up to a maximum of six additional months;

- (c) Where the Licensee has not completed an Integrated Regional Resource Plan and has determined an urgent investment in transmission and/or distribution facilities needs to be advanced from the integrated regional resource planning process to meet a near-term need, the Licensee shall immediately complete an Urgent Letter that notifies the lead transmitter and participating distributors of any investment in transmission and/or distribution facilities that are necessary to meet the electricity needs of the region over the next five years;
- (d) Participate in the regional infrastructure planning process, as required by the lead transmitter, where a Regional Infrastructure Plan is determined to be necessary for a region;
- (e) Provide the lead transmitter with any information that the transmitter requests for regional planning purposes, within 30 days of a request or a period of time that the Licensee and the lead transmitter agree upon;
- (f) In consultation with the lead transmitter, review the boundaries of the regions in the Province no less than once every five years to determine whether they need to be modified; and
- (g) Provide an annual report to the lead transmitter, on October 1<sup>st</sup> of each year, identifying the status of any investments in conservation and demand management, generation and/or other electricity system initiatives, for each region, in the lead transmitter's transmission system, where an Integrated Regional Resource Plan has been completed.

## APPENDIX C

October 21, 2013

EB-2013-0192

### Comparison Version of Final Amendments to the Licence of the OPA (for information purposes only)

*Note: Additions (underlined) and deletions (stricken through) indicate changes to the amendments relative to the amendments as they were proposed on June 3, 2013.*

#### X. Regional Planning

X.1 For the purposes of this section X:

“Integrated Regional Resource Plan” means a document prepared by the Licensee that identifies the appropriate mix of investments in one or more of conservation and demand management, generation, transmission facilities or distribution facilities, or other electricity system initiatives in order to address the electricity needs of a region in the near- (up to 5 years), mid- (5 to 10 years), and long-term (10 to 20 years);

“integrated regional resource planning process” means a planning process led by the Licensee for the purpose of preparing an Integrated Regional Resource Plan for a region;

“lead transmitter” means a licensed transmitter that is leading a regional planning process in a region;

“region” means an area within which the lead transmitter’s transmission system is located, in whole or in part, and that has been designated as such by the lead transmitter, in consultation with the Licensee, under section 3C.2.2(a) of the Transmission System Code, for regional planning purposes;

“Regional Infrastructure Plan” means a document prepared by the lead transmitter that identifies investments in transmission and/or distribution facilities that should be developed and implemented on a coordinated basis to meet the electricity infrastructure needs within a region;

“regional infrastructure planning process” means a planning process led by the lead transmitter in accordance with section 3C of the Transmission System Code for the purpose of preparing a Regional Infrastructure Plan for a region; and

“regional planning” means a planning process involving licensed transmitter(s), licensed distributor(s), and the Licensee for the purpose of determining whether a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan is required for a region and, where required, developing or updating a Regional Infrastructure Plan and/or an Integrated Regional Resource Plan.

## **X.2 Regional Planning Obligations**

X.2.1 The Licensee shall, in consultation with licensed transmitters and licensed distributors in a region, carry out its regional planning obligations.

X.2.2 For the purposes of section X.2.1, the Licensee shall:

- (a) Complete a scoping assessment to determine the appropriate regional planning approach, for a region, within 90 days of being notified by the lead transmitter that regional planning is necessary; specifically, whether an integrated regional resource planning process is required first or a regional infrastructure planning process should proceed immediately. The Licensee shall provide the scoping assessment process outcome report to all licensed distributors and licensed transmitters in the region and post it on its website upon completion;
- (b) Complete an Integrated Regional Resource Plan, within 18 months of determining that an integrated regional resource planning process is necessary for a region, and inform the lead transmitter and participating distributors of any potential investment in transmission and/or distribution facilities that are required to meet the electricity needs of the region over the next twenty years. The Licensee shall provide the Integrated Regional Resource Plan to all licensed distributors, and licensed transmitters and municipalities in the region and post it on its website upon completion. Where an Integrated Regional Resource Plan has not been completed within 18 months, the Licensee shall take no longer than two years to complete the Integrated Regional Resource Plan and shall notify the Board in writing explaining the reason(s) an Integrated Regional Resource Plan could

not be completed within 18 months, identify the applicable region and the additional time required, up to a maximum of six additional months;

- (c) Where the Licensee has not completed an Integrated Regional Resource Plan and has determined an urgent investment in transmission and/or distribution facilities needs to be advanced from the integrated regional resource planning process to meet a near-term need, the Licensee shall immediately complete an Urgent Letter that notifies the lead transmitter and participating distributors of any investment in transmission and/or distribution facilities that are necessary to meet the electricity needs of the region over the next five years, ~~where the Licensee has not completed an Integrated Regional Resource Plan within one year, in accordance with section X.2.2(b);~~
- (d) Participate in the regional infrastructure planning process, as required by the lead transmitter, where a Regional Infrastructure Plan is determined to be necessary for a region;
- (e) Provide the lead transmitter with any information that the transmitter requests for regional planning purposes, within 30 days of a request or a period of time that the Licensee and the lead transmitter agree upon;
- (f) In consultation with the lead transmitter, review the boundaries of the regions in the Province no less than once every five years to determine whether they need to be modified; and
- (g) Provide an annual report to the lead transmitter, on October 1<sup>st</sup> of each year, identifying the status of any investments in conservation and demand management, and/or generation and/or other electricity system initiatives, for each region, in the lead transmitter's transmission system, where an Integrated Regional Resource Plan has been completed.